

# **Exhibit CCC**

# THE WALL STREET JOURNAL.

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## Tenants' Deal Removes Bar To New Tower

*By Eliot Brown and Josh Barbanel*

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A developer of trendy boutique hotels has purchased a site on the Lower East Side where he plans to build one of the tallest towers in the neighborhood, according to real-estate executives involved with the deal.

Hotelier Ian Schrager and investors including developer Steve Witkoff last week paid about \$50 million for a piece of land at 215 Chrystie St. that served for years as a garden for a neighboring building with low-income residents, the executives said.

Mr. Schrager, known for co-founding the 1970s nightclub Studio 54 and developing such hotels as the Morgans Hotel and the redone Gramercy Park Hotel, bought the site from a group led by landlord Rubin Schron, which also owns the neighboring building, 10 Stanton St.

The deal shows the value that government actions can sometimes add to a property. It closed only 10 days after Mr. Schron won approval from the city for a plan to put the tower in the place of the garden, a move brokers say vastly increased the market value of the site.

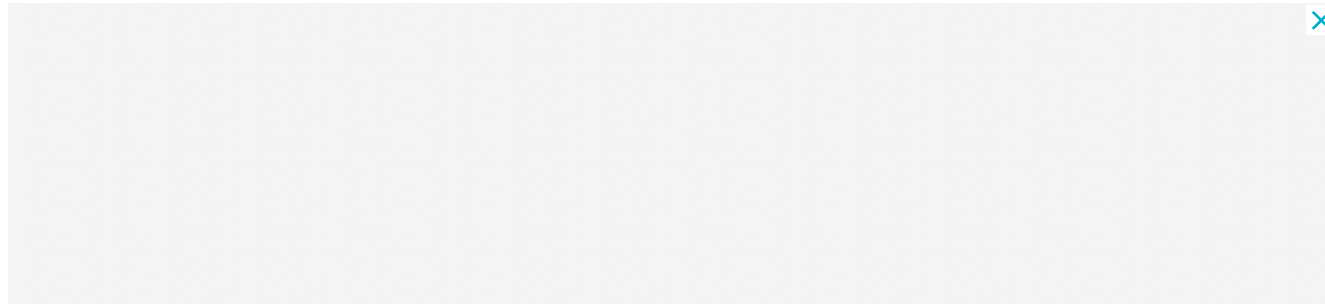
The planned building would rise to 25 stories—the first 17 of which would be for a hotel, with the remainder reserved for apartments, according to plans filed with the city's Board of Standards and Appeals.

The new structure would tower over the low-slung surrounding area.

The timeline for the new building just south of Houston Street is unclear, and Mr. Schrager and his partners will likely need to line up additional financing before they can break ground.

But a real-estate executive familiar with the plans said the developer intends to make the hotel part of his new brand called Public, which is designed to be avant-garde but less expensive than many boutique hotels. A prior deal to build an inaugural New York hotel for the brand near Herald Square fell apart.

To get approval for the new building, Mr. Schron won the support of the tenants at 10 Stanton St. by agreeing to extend affordability benefits for years—with rent subsidies provided by the federal government. He also agreed to build a rooftop recreation area.



With the tenants appeased, the local community board ended up supporting plans for the tower and some preservationists typically skeptical of such towers remained mum, helping clear the way for approval by the city's Board of Standards and Appeals. Property records show a 99% interest in 10 Stanton and 215 Chrystie properties had sold in 2005 for \$9.2 million.

Much of the rent at 10 Stanton St. is covered by the federal government, which now pays up to \$3,810 a month for a three-bedroom apartment for tenants who cannot afford it.

One potential hurdle for the project: the owners of the Sperone Westwater Gallery, which abuts the site of the new hotel. The owners have been critical of the project, which is set to block light in the rear of the Norman Foster-designed gallery that sits on the Bowery.

"It is a clear indication that those individuals or government agencies that could have called the matter into check did nothing," Angela Westwater, a co-owner of the gallery, said when told of the sale.

The gallery is planning to file suit next month, seeking to overturn the decision by the city's Board of Standards and Appeals approving a change for the site without a full environmental review, according to Albert Butzel, an environmental lawyer who helped lead the legal fight to stop the huge Westway highway project in the 1980s.

Jeffrey Mulligan, executive director of the city agency, said the board "stands by its approval and believes it is consistent with case law, prior board decisions and the Board's rules of practice and procedure."

Should Mr. Schrager's project go ahead, it would be the largest tower in the neighborhood to rise since 2006 and 2007, the period before the economy turned sour when numerous tall buildings sprouted in the low-rise area.

Still, it would be in another league than many of those buildings. For instance, the New Museum, a stacked, block-like structure a block to the south on the Bowery that rises well above neighboring properties, is 177 feet tall, nearly 100 feet shy of the building proposed for Mr. Schrager's new site.

**Write to Eliot Brown at [eliot.brown@wsj.com](mailto:eliot.brown@wsj.com) and Josh Barbanel at [josh.barbanel@wsj.com](mailto:josh.barbanel@wsj.com)**

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